

GOVERNMENT OF TELANGANA
ABSTRACT

The A.P. Cooperative Societies Act, 1964 (Act No.7 of 1964) - Adaptation to the State of Telangana-Orders – Issued.

AGRICULTURE & COOPERATION (COOP.II) DEPARTMENT

G.O.Ms.No.53

Dated: 20.05.2016

Read:-

The Andhra Pradesh Reorganization Act, 2014 (Central Act No. 6 of 2014)

O R D E R:-

Whereas, by section 101 of the Andhra Pradesh Reorganization Act, 2014 (Central Act No. 6 of 2014), the appropriate Government i.e., the State of Telangana is empowered by order, to make such adaptations and modifications of any law (as defined in section 2 (f) of the Act) made before 02.06.2014, whether by way of repeal or amendment as may be necessary or expedient, for the purpose of facilitating the application of such law in relation to the State of Telangana, before expiration of two years from 02.06.2014; and thereupon every such law shall have effect subject to the adaptations and modifications so made until altered, repealed or amended by a competent Legislature or other competent authority;

2. And whereas, it has become necessary to adapt and modify the A.P. Cooperative Societies Act, 1964 (Act No. 7 of 1964) for the purpose of facilitating its application in relation to the State of Telangana.

3. And whereas, after careful examination, Government have decided to adapt and modify the said Act, which was in force as on 01.06.2014;

4. Accordingly, the following Notification will be published in an Extra Ordinary issue of the Telangana Gazette, dated: 20.05.2016.

NOTIFICATION

In exercise of the powers conferred by section 101 of the Andhra Pradesh Reorganization Act, 2014 (Central Act No. 6 of 2014), the Government of Telangana hereby makes the following Order, namely:

1. (i) This Order may be called the Andhra Pradesh Cooperative Societies Act, 1964 (Telangana Adaptation) Order, 2016;

(ii) It shall come into force with immediate effect.

2. The Andhra Pradesh General Clauses Act, 1891 shall apply for the interpretation of this Order as it applies for the interpretation of a State Act.

3. For the purpose of this Order and the Act adapted herein, the expression "**the State**" shall have the meaning and area as specified in Section 3 of the Andhra Pradesh Reorganization Act, 2014.

4. In the Andhra Pradesh Cooperative Societies Act, 1964 (A.P. Act No. 7 of 1964)

1. Throughout the Act for the words "**Andhra Pradesh**" (occurring otherwise than in a citation or description or title of other enactments) the word "**Telangana**" shall be substituted.

2. In section 2,

(i) for clause (a), the following shall be substituted, namely:-

"(a) (i) 'authorised person' means a person referred to as such in Section 79 of this Act.

(ii) 'bye-laws' means the registered bye-laws for the time being in force".

(ii) for clause (b), the following shall be substituted, namely:-

“Committee’ means the Governing body of a Cooperative Society by whatever name called, to which the direction and control of the management of the affairs of a Society is entrusted to”.

(iii) for clause (c), the following shall be substituted, namely:-

“Co-operative year/ Financial Year’ means, the period commencing on the 1st day of April of every year and ending with the 31st day of March of the succeeding year”.

(iv) after clause (e), the following shall be inserted, namely:-

“(e-i) ‘multi-state cooperative society’ means a society with objects not confined to one State and registered or deemed to be registered under any law for the time being in force relating to such Co-operatives”.

(v) after clause (k), the following shall be inserted, namely:-

“(k-i) ‘office bearer’ means a President/ Chairperson, Vice-President/ Vice-Chairperson, Secretary or Treasurer of a Co-operative society and includes any other person to be elected by the Board of any Co-operative society”.

(vi) for clause (n), the following shall be substituted, namely:-

“ ‘Registrar’ means the Central Registrar appointed by the Central Government in relation to the multi-State co-operative societies, the Registrar of Co-operative societies appointed under section 3 [1] in relation to this Act as the case may be and includes any other person on whom all or any of the powers of the Registrar under this Act are conferred”.

(vii) for clause (p), the following shall be substituted, namely:-

“ ‘Society’ means a Cooperative Society registered / deemed to have been registered under this Act / Societies registered under Telangana Mutually Aided Cooperative Societies Act and received land from Government either free of cost or at subsidized price or at market rate and thus deemed to have been registered under this Act”.

(viii) after clause (s), the following sub-clauses shall be inserted, namely:-

(s-i) ‘State Act’ means any law made by the Legislature of a State.

(s-ii) ‘State level co-operative society’ means a co-operative society having its area of operation extending to the whole of the State.

(ix) after clause (u), the following shall be inserted, namely:-

(2-A) The Government, may, from time to time, take necessary steps for making provisions with respect to the incorporation, regulation and winding up of co-operative societies based on the principle of voluntary formation, democratic member control, member economic participation and autonomous functioning as deemed necessary.

5. In section 6, in sub-section (2), (i) under clause (a), for sub-clause (i), the following shall be substituted, namely:-

“(i) The original and one copy of the proposed byelaws of the society as adopted by the applicants along with a proof of identity and proof of residence and any other proof of all the applicants as prescribed by the Registrar”.

(ii) in clause (b), the words ‘ten’ shall be substituted with the words ‘twenty one’.

6. After section 8, the following shall be inserted, namely:-

"8-A 'Renewal of Registration':- Every society which has been issued a certificate of registration under Section 8 of this Act and it shall be renewed for every 5 years. The Renewal by Registrar is subject to the satisfaction that

- (a) the Society updated its accounts and got them audited as per the provisions of this Act.
- (b) the society conducted Elections as per the provisions of this Act.
- (c) the society not violated any provisions of Act, Rules, Byelaws.
- (d) All members underwent member education programme and certified as such by the Telangana State Cooperative Union.

Provided that if the society fails to renew its Registration under this section, the Registrar may on his own initiate necessary action for compliance. In case of non compliance, Registrar may cancel the certificate of registration issued to the society U/s. 8 of this Act and initiate winding up proceedings U/s. 64(2) of this Act.

7. in section 16, for sub-section (2), the following shall be substituted, namely:-

"(2) Every proposal for such amendment shall be forwarded to the Registrar who shall, if he is satisfied that the proposed amendment fulfils the conditions prescribed, register the amendment within a period of (thirty days) from the date of receipt of such proposal".

8. In section 19, in sub-section (1), clause (a) shall be substituted with the following, namely:-

- " (a) An individual who attained majority and is of sound mind and who belongs to a class of persons, if any, for whom the society is formed as per its bye-laws and who paid the minimum share capital as prescribed by the Registrar from time to time and who possesses such qualifications as may be specified in the bye-laws or as may be prescribed for the concerned class of societies in the interest of Cooperative movement.

Provided that the applicant is not already a member of a Cooperative Society registered under this Act, or any other Coop. Act providing the same or similar services".

9. In section 20, sub-section (1) shall be substituted with the following, namely:-

" (1) Notwithstanding anything contained in Section 19, a society may admit any individual seeking any services of the society or informal group such as SELF HELP GROUP, RYTHUMITRA GROUP, NON-GOVERNMENTAL ORGANISATION, working for the welfare of farmer community in the area of operation as associate member but such member shall not be entitled to vote".

10. In section 21, in sub-section (1),

- (i) for clause (f), the following shall be substituted, namely:-

- (f) as such member fails to transact such minimum business or utilize minimum services or facilities in a year as may be specified in the bye-laws or in respect of Housing societies if the member sold out the plot allotted to him / her ; or

- (ii) for clause (g), the following shall be substituted, namely:-

- (g) fails to attend two consecutive annual general body meetings without leave of absence; or

- (iii) after clause (h), the following shall be inserted, namely:-

- (i) is /was a director or member of the Managing Committee of the society which fails to handover all the records of the society to the successor Managing Committee.

11. In section 21A, in sub-section (1), clause (b) shall be substituted with the following, namely:-

- (b) Is in default in the payment of any amount due in cash or kind to the society or any other society or stood as guarantor Society/Co-executants to any member who committed default, for said period as may be prescribed or is a delegate of a society which is defunct or which is in default as aforesaid.
12. In section 21AA,
- (i) sub-section (4) shall be substituted with the following, namely:-
- (4) Where the Committee fails to prepare and submit or cause to be prepared and submitted within the period specified in Section 50 of the Act, Annual accounts of the society to the Chief Auditor and also to submit defect rectification report as per Section 54, the members of the Committee shall after 15 days on the expiration of the period aforesaid cease to hold such office. The order to such effect shall be issued by the Registrar.
- (ii) after sub-section (6), the following shall be added, namely:-
- (7) Where the committee fails to dispose profits of the society as provided U/s. 45 of this Act the members of the committee shall cease to hold such office.
13. In section 21B, sub-section (1) shall be substituted with the following, namely:-
- (1) Where a member of the committee absents himself without permission of Managing Committee from three consecutive meetings of the committee, he shall cease to be a member of the committee. Such permission may be sought twice in the entire tenure. He may, however, be reinstated by the committee in the manner prescribed, but such reinstatement shall not be made more than once during the term of the committee.
14. Section 23 shall be substituted with the following, namely:-
- (1) Any member who has acted adversely to the interests of the society may be expelled upon a resolution of the general body passed its meeting by the votes of not less than where by majority of the total membership of the society is present and two-thirds of the members of the society present and voting.
- (2) No member shall be expelled under sub-section (1) unless,
- (a) member caused loss of financial to the society.
- (b) member is involved in impersonation, forgery or any other Criminal Activity against the society.
- (c) Provided that the member shall be given an opportunity of making his/her representation to the Managing Committee.
- (3) A copy of resolution expelling the member shall be communicated to the member within 30 days under copy to the Registrar.
15. In section 25, in sub-section (1A),
- (i) clause (a) shall be substituted with the following, namely:-
- (a) Contributes a minimum share capital and conducts minimum business transaction as may be prescribed.
- (ii) clause (c) shall be substituted with the following, namely:-
- (c) is a member of the society for a continuous period of one year or more as may be prescribed.
- (iii) after clause (d), the following shall be added, namely:-
- (e) is not a member of the committee superseded under the relevant provisions of this Act.
- (f) he/she was a member of the committee which failed to make arrangements for conduct of elections to the society as per the provisions of this Act.

16. In section 30, in sub-section (2), (clause xiii) shall be omitted.

17. In section 31, in sub-section(1),

(i) clauses (a) and (b) shall be substituted with the following, namely:-

(a) The General Body of a society shall constitute a committee in accordance with the bye-laws and entrust the management of the affairs of the society to such committee.

Provided that in case of a newly registered society, the applicants who signed the application for registration U/s. 6 of this Act shall conduct the affairs of the society for a period of 90 days from the date of registration of the society. The applicants shall initiate the process of constitution of committee within 30 days of Registration of the society.

Provided further that, if the applicants who got the society registered fail to constitute a committee to manage the affairs of the society within 90 days from the date of registration of the society, the Registrar shall take steps to constitute a committee to manage the affairs of the society or may choose to cancel the Registration of the society as deemed fit.

Provided further that if no committee is constituted under this Section to manage the affairs of the society within 180 days from the date of the Registration of the society, the certificate of Registration issued U/s. 8 is deemed to have been cancelled.

Provided further that where the bye-laws so provide, the Government or the Registrar may nominate all or any of the members of the first promoters Committee for such period as may be specified or till the first elected Committee assumes office, whichever is earlier.

(b) The Board/ Committee shall consist of such number of Directors as may be prescribed:

Provided that the maximum number of Directors of a Co-operative society shall not exceed twenty-one.

Provided further that one seat for the Scheduled Caste or the Scheduled Tribe and two seats for women shall be reserved on Board of every Co-operative society consisting of individuals as members and having members from such class or category of persons subject to that in the case of a Primary Agricultural Co-operative Credit Society, a Farmers Service Co-operative Society, a Co-operative farming Society, a Co-operative Central Bank and a District Co-operative marketing society, not more than one-half of the total number of seats to be filled by elected members of the Committee thereof shall be reserved to be filled by members of the Scheduled Castes, Scheduled Tribes, Backward Classes and Women in such proportion as may be prescribed:

Provided further that the Board may fill up a casual vacancy/ shortfall of the Board by nomination out of the same class of members in respect of which the casual vacancy/ shortfall has arisen, if the term of office of the Board is less than half of its original term.

Provided further that no member who has lost in the current election shall be eligible for filling up the casual vacancy that has arisen during the current term of the Board.

(ii) clauses (c) & (d) shall be omitted.

(iii) after clause (b), the following clause (e) shall be added, namely:-

(e) In addition to the number specified as per section 31(1)(b), the elected members of Committee may co-opt, not exceeding two persons as members of the Committee, out of which one shall have experience in the field of banking or management or finance and the other shall have specialization in any other field relating to the objects and activities undertaken by the society.

Provided that such co-opted members shall not have the right to vote in any election of the co-operative society in their capacity as such member or to be eligible to be elected as office bearers of the Committee:

Provided further that Functional Directors of a Co-operative society as may be prescribed shall also be the members of the Committee and such members shall be excluded for the purpose of counting the total number of the Directors specified in section 31(1)(b).

(iv) in sub-section (2), clause (a) shall be substituted with the following, namely:-

(a) The term of office of the Committee and its Office Bearers including President are elected in accordance with the provisions of sub-section (5) shall be five years from the date of election of the members of the committee. The term of the office bearers shall be coterminous with the term of Board.

(v) clauses (b) & (c) shall be omitted.

(vi) in sub-section (3), clauses (a) & (b) shall be substituted with the following, namely:-

(a) In the case of the committee of Cooperative Central Bank a District Marketing Society, a District Cooperative Wholesale Store, a Centrally sponsored consumer cooperative Stores, an apex society and a society formed for a sugar factory or for a spinning mill, such officer of the cooperative department, not below the rank of a Deputy Registrar, as may be authorised by the State Cooperative Election Authority in this behalf shall be the election officer and the election of the members of the committee shall be in such manner as may be prescribed by the State Cooperative Election authority.

(b) In any other case, the election officer and the manner of election of the members of the committee shall be such as may be prescribed by the State Cooperative Election Authority.

18. After section 31A, the following Section 31B shall be inserted, namely:-

"31-B (a) Notwithstanding anything contained in this Act, Rules and Bye-laws of the society, the Government shall constitute a State Cooperative Election Authority;

The State Cooperative Election Authority shall be headed by an officer not below the rank of Additional Registrar of Cooperative Societies. The said Authority is to be assisted by not more than two Additional Co-operative Electoral Officers who are not below the rank of Joint Registrar of Co-operative Societies. The service conditions of the State Cooperative Election authority and the Additional Cooperative Electoral Officers shall be as prescribed.

(b) The superintendence, direction and control of the preparation of electoral rolls and conduct of all elections shall vest with the State Cooperative Election Authority which shall conduct all elections in the manner prescribed, for all types of Cooperative Societies registered under this Act;

Provided that the State Co-operative Election Authority referred to under sub-section (a) above may issue guidelines otherwise laying down the procedure for conduct of elections from time to time.

(c) The Registrar of Cooperative Societies shall deploy the supporting staff to the State Cooperative Election Authority as may be prescribed to assist in conduct of Elections.

(d) Provided that the election of a Board shall be conducted before expiry of the term of the Board so as to ensure that the newly elected members of the Board assume office immediately on the expiry of the office of the outgoing Board".

19. In section 32,

(i) the following sub-section (1-e) shall be inserted, namely:-

“(1-e) At least one General Meeting in a year shall be held in the presence of representative/nominee of the Registrar who attends the meeting as observer. The Registrar shall nominate a representative for this purpose at the request of President of the society. The Request to the Registrar for this purpose shall be made by the President of the society atleast 15 days before the General Meeting. The observer should submit a report on the proceedings of the General Meeting specifically mentioning deviations or violations of Act, if any, within a week of completion of the General Meeting to the Registrar”.

(ii) sub-section (3) shall be substituted with the following, namely:-

“(3) It shall be the duty of the President of the society to call the meetings of the committee so that atleast one meeting of the committee is held in every three months. If the President fails to discharge that duty with the result that no meeting is held, within such period of three months or within one month following such period, he shall with effect from the date of expiration of one month aforesaid cease to be the President. The Registrar shall issue orders to that effect.

Provided that it shall also be the duty of the President to call such meetings within fifteen days of the date of receipt of requisition in writing in that behalf from any of the requisitionists specified in sub-section(2)”.

(iii) in sub-section (5), clause (a) shall be substituted with the following, namely:-

“(a) If for any reason, a meeting is not called in accordance with the requisition delivered under sub-section(4), notwithstanding anything in the bye-laws of the society, the Registrar shall have the power to call such meeting in the manner prescribed and to determine the time for such meeting and the subjects to be considered thereat. The Registrar or a person authorized by him in writing in this behalf shall preside at such meeting, but he shall not be entitled to vote”.

(iv) sub-section (6) shall be substituted with the following, namely:-

“(6) Notwithstanding anything in this Chapter, if at any time the State Cooperative Election Authority is satisfied that circumstances exist which render it necessary for it to call a general meeting for such election of members of the committee to be held in accordance with the provisions of this Act, the State Cooperative Election Authority or any person authorised by them in this behalf shall have power to call such meeting and to determine the place, time and the period of notice for such meeting. If at such meeting, there is no quorum, the meeting shall stand adjourned to such other date and time as the State Cooperative Election Authority or person authorised may determine. If at the adjourned meeting also there is no quorum for holding the meeting, the members present shall constitute the quorum. When the meeting is called by the State Cooperative Election Authority, it shall be presided over by a person appointed by them in that behalf and if the meeting is called by the person authorised by the State Cooperative Election Authority, the person so authorised shall preside at such meeting; but the person presiding shall not be entitled to vote at the meeting so called or adjourned”.

(v) in sub-section (7), in clause (a), in sub-clause (i), the words “six months” shall be substituted with the words “one year”.

(vi) in sub-section (7), in clause (a), sub-clause (ii) shall be substituted with the following, namely:-

Notwithstanding anything contained in this Act, in the special circumstances and for the reasons to be recorded, if in the opinion of the Government, it is not possible to hold the elections to the societies or class of societies, the Government may by order extend the term of the person or the persons appointed to manage the affairs of the society or class of societies beyond three years.

20. Section 32B shall be substituted with the following, namely:-

“(32-B) Devolution of the powers and functions of the President or Vice – President: If the President ceases to hold office under sub-section (3) of Section 32 or if he has been continuously absent from the head-quarters for more than three months, or is incapacitated for more than three months, his powers and functions on such cessation or during such absence or incapacity shall devolve on the Vice-President and in case of absence of both, shall devolve to the senior most member of the committee”.

21. In section 34,

(i) sub-section (1) shall be substituted with the following, namely:-

(1)(a) Notwithstanding anything contained in any law for the time being in force, no committee shall be superseded or kept under suspension for a period exceeding six months.

(b) The Committee may be superseded or kept under suspension in case –

(i) of its persistent default; or

(ii) of negligence in the performance of its duties; or

(iii) The Board has committed any act prejudicial to the interests of the co-operative society or its members; or

(iv) There is stalemate in the constitution or functions of the Board; or

(v) The State Co-operative Election Authority specified under Section 31-B has failed to conduct elections in accordance with the provisions of the Act:

(c) by order, supersede or suspend the Committee from a specified date and appoint the official Administrator (The Registrar may after giving the Committee an opportunity of making its representations) to manage the affairs of the society, as per the conditions of service as may be prescribed, for a period of not exceeding six months:

Provided that the Committee of any such co-operative society shall not be superseded or kept under suspension where there is no Government shareholding or loan or financial assistance/ subsidy of any form or any guarantee by the Government:

Provided further that in case of a Co-operative society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 shall also apply.

Provided also that in case of a Co-operative society, other than a multi-state co-operative society, carrying on the business of banking, the period of supersession or suspension shall be for one year instead of six months.

(d) In case of Supersession/ suspension of a Board, the Registrar shall appoint the official Administrator(s) to manage the affairs of such co-operative society and the said Administrator(s) shall arrange for conduct of elections by the State Co-operative Election Authority within the period specified in sub-section (1) (a) of this section and hand over the management to the elected board.

(ii) sub-section (2) shall be omitted.

(iii) sub-sections (3) and (4) shall be substituted with the following, namely:-

(3) The Administrator(s) shall, subject to control of Registrar and to such directions as he may from time to time, give, have power to exercise all or any functions of the committee or of any officer of the society provided that no crucial policy decisions are taken by the Administrator(s) .

(4) The Registrar may fix the remuneration payable to the Administrator(s). The amount of remuneration so fixed and such other expenditure incidental to the

management of the society during the period of the supersession as may be approved by the Registrar shall be payable from the funds of the society.

(iv) sub-section (5) shall be omitted.

22. In section 34-A,

(i) sub-sections (1), (2), (3) and (4) shall be substituted with the following, namely:-

(1) A motion expressing want of confidence in the President or the Vice- President of a committee or other officer bears of the Committee may be made in accordance with the procedure laid down in the following sub-sections.

(2) A written notice of intention to make the motion, signed by not less than one-half of the total elected membership of the committee including vacancies if any as constituted under Section 31 of this Act together with a copy of the proposed motion shall be delivered in person, by any two of the members signing the notice, to the Registrar having jurisdiction over the society.

(3) The Registrar shall then convene a meeting for the consideration of the motion at the office of the society on a date appointed by him which shall not be later than thirty days from the date on which the notice under sub section (2) delivered to him. He shall give to the members notice of not less than fifteen clear days from the date of notice of such meeting in such manner as may be prescribed:

Provided that where the holding of such meeting is stayed by an order of a Court the meeting shall be adjourned, and the Registrar shall hold the adjourned meeting on a date not later than thirty days from the date on which he received the intimation about the vacation of stay, after giving to the members notice of not less than fifteen clear days.

(4) The **quorum** for such a meeting shall be majority of the total elected membership of the committee including vacancies if any as constituted U/s. 31 of this Act and the Registrar shall preside at such meeting. If within half an hour after the time appointed for the meeting the Registrar is not present to preside at the meeting, the meeting shall stand adjourned to the next day.

(ii) sub-section (11) shall be substituted with the following, namely:-

“(11) If the motion is carried with the support of not less than two thirds of the total elected members of the committee including vacancies if any as constituted U/s. 31 of this Act., the Registrar shall by order remove the President or, as the case may be, the Vice-President and the resulting vacancy shall be filled in the manner prescribed”.

(iii) sub-section (13) shall be substituted with the following, namely:-

“(13) No notice of a motion under this section shall be made within three years of the assumption of office by a President or the Vice President”.

23. In section 35, sub-section (4) shall be substituted with the following, namely:-

(4) The Charge under this section shall not be available against the following articles of such members.

(a) The necessary wearing apparel, cooking vessels, beds and bedding and such personal ornaments of a woman as in accordance with by her.

(b) Ploughs, implements of husbandry, one pair of ploughing cattle, such manure and seed grain stocked by him, as may be necessary for the due cultivation of his lands in the ensuring year.

24. In section 36,

(i) sub-section (1) shall be substituted with the following, namely:-

“(1) Notwithstanding anything in this Act or in any law for the time being in force, but subject to any claim of the Government in respect of land revenue and to any claim of an (Agricultural Development Bank)”.

(ii) sub-section (3) shall be substituted with the following, namely:-

(3) Subject to the provisions of sub-section (1) and to the claim of any person in whose favour a mortgage or a charge has been created before the date of registration of the declaration made under sub-section (1), no land in respect of which such declaration has been made or any part of or any interest in such land shall be sold or otherwise transferred until the entire amount of the loan or advance taken by the member from the society together with interest thereon is paid to the society; and any transaction made in contravention of this sub-section shall be void:

Provided that, if a part of the amount borrowed by a member is paid, the society may, on application from the member and with the approval of the financing bank, release from the charge created under the declaration made under sub-section (1), such part of the land or interest in such land specified in the said declaration, as it may deem proper, with due regard to the security of the balance of the amount remaining outstanding from the member:

Provided further that, nothing in this sub-section shall apply in respect of (a mortgage created in favour of) an (Agricultural Development Bank), subsequent to the date of Registration of the declaration made under sub-Section (1).

25. In Section 37,

(i) sub-section (1) shall be substituted with the following, namely:-

(1) Notwithstanding anything in any other law for the time being in force, a member of a society may execute an agreement in favour of that society providing that his employer shall be competent, on a requisition in writing from the society, to deduct every month from the salary or wages payable to him such amount as may be specified in the requisition towards the amount due by him to the society in respect of any debt or other amount due by the member to the society, from time to time.

(ii) In sub-section (2), clause (b) shall be substituted with the following, namely:-

“(b) Where the amount to be deducted in any month in accordance with the requisition made by a society, or where a requisition has been made by two or more societies in respect of the same person, the total amount to be deducted in accordance with all the requisitions, exceeds one-third of his entire gross salary or wages for the month, the employer shall deduct from the salary or wages of such person only a sum representing one-third of his entire gross salary or wages for the month. The amount deducted shall, where deductions have been made against requisitions received from two or more societies be paid by the employer to all the societies in proportion to the amounts to be deducted according to their requisitions”.

(iii) sub-section (7) shall be omitted.

26. In section 43, after clause (h), the following clauses (i), (j) and (k) shall be added:-

(i) Give Land for residential construction or other purposes either on subsidised / concessional rates or market cost or cost free basis.

(j) Exempt stamp fee, stamp duties, licence fee, import duties, Earnest Money Deposits (EMDs).

(k) Provide / offer any subsidies, concessions or guarantees or securities.

27. After section 43, the following new section shall be inserted, namely:-

43A. Conversion into a Society or Company:- Any Cooperative Society registered under this Act if wishes to gets itself converted into a society under MACS Act or wishes to be incorporated as Company under Companies Act 1956, it shall have to first return the share capital, assets of the Government it received either directly or through any other agency and also return the Government land and machinery received if any, and also any outstanding loans due to, or guarantees or any of such assistance given by the Government. Before applying for such conversion or incorporation itself, a clearance certificate to this effect from the State Government based on the recommendations of the Registrar on whom powers are conferred as under section 4 of this Act shall be obtained.

No cooperative Society which is a beneficiary of Government in terms of funds or land or any other assistance in any form as on date has not fully repaid / returned to the Government, can get registered under MACs Act or Companies Act.

Provided that any cooperative society under APCS Act 1964/ Telangana Cooperative Societies Act without returning the assets, share capital, land, machinery, assistance or repaying the outstanding loans or guarantees etc. to the Government / and incorporated under companies Act 1956 as on date of this provision coming into force, shall return / repay the same to the Government if it wishes to continue under companies Act/MACS Act as the case may be Government reserves the right on any of its assets extended to and held by such cooperative society as on date of conversion.

Provided further that if the Societies so converted into MACS Society or / and incorporated into the Companies Act 1956, do not return the assets and repays the dues to the Government within a period of six (06) months from the date of notification of this Amendment, the Government shall have the power to recover such assets and amounts from the formed company or society as arrears under Revenue Recovery Act, 1890.

28. In section 45,

(i) sub-section (1) and (2) shall be substituted with the following, namely:-

45. Allocation of funds / disposal of profits:

- (1) A Society shall, subject to such limits as may be prescribed, credit one percent of gross profit or gross income in a year, as the case may be, to the cooperative education fund.
- (2) A society shall credit an amount not being more than 30 percent of gross profit or 2 percent of working capital, whichever is less, in a year towards pay and other allowances of its employees and contingencies in the manner prescribed.

(ii) in sub-section (4), in the proviso under clause (e), the words "Government" shall be substituted with the word "Registrar".

29. In section 46, clause (c) shall be omitted.

30. In section 47,

(i) sub-section (1) shall be substituted with the following, namely:-

"(1) A society shall receive deposits (of any form or nomenclature) and raise loans from members and associate members only to such extent and under such conditions as may be specified in the bye-laws".

Provided that the proposals of society for receiving short term and long term fixed deposits from members and associate members shall have the prior approval of the Registrar.

(ii) in sub-section (3), clause (b) shall be substituted with the following, namely:-

“(b) Every primary agricultural credit society shall, in such area as may be prescribed disburse the amount granted by it to any of its members towards a short term loan or a medium term loan by way of cheque in favour of the loanee or by electronic transfer to his account at the request of the loanee or by money order; and no such cheque shall be endorsed by the loanee in favour of any officer of the society”.

31. In section 48, sub-section (1) shall be substituted with the following, namely:-

48. Transactions with non-members:

(1) Notwithstanding anything contained under any provisions of this Act, financial transactions of society with non members are subject to the conditions prescribed by the Registrar.

Provided that the conditions are prescribed by the Registrar keeping in view the financial health of the society and interests of the non members.

32. In section 50,

(i) sub-section (1) shall be substituted with the following, namely:-

(1) Every Co-operative Society registered under this Act shall maintain its accounts for each financial year in such format as prescribed by the Registrar from time to time and shall cause audit of such accounts within six months from the close of the financial year, conforming to Audit Manual and/or Circular instructions issued by the Registrar/ Chief Auditor from time to time.

There shall be a separate wing for Audit in the Cooperative Department headed by the Chief Auditor who will work under the general superintendence and control of the Registrar.

Such Audit shall primarily cover an examination of debts, overdue, if any, verification of the cash balance and securities and valuations of the assets and liabilities of the society, complete examination and certification of all receipts and expenditure during the financial year including administrative audit focusing on prudent management of the affairs of the society in accordance with the Act, Rules and Bye laws.

Provided that in respect of a society not in receipt of State aid as specified in Section 43, the Committee of such society shall cause the audit of accounts of the society, every year as per the audit manual prescribed by the Registrar, either through the Chief auditor or a Chartered Accountant. Where such society opts to get the accounts of the society audited by the Chief auditor, the latter shall audit or cause to be audited the accounts of such society in the manner prescribed”.

(ii) sub-section (2) shall be substituted with the following, namely:-

(2) Every person who is, or has at any time being, an officer or employee of the society and every member including a past member shall furnish such information in regard to, any transaction, working and affairs of the society as Statutory Auditor may require.

(iii) sub-section (4) shall be omitted.

(iv) after sub-section (3), the following sub-sections (4), (5), (6), (7), (8), (9) and (10) shall be inserted, namely:-

(4) The minimum qualifications of the Auditor/Auditing firm entrusted with the responsibility of auditing of co-operative societies under this Act shall be –

(i) An officer of the State Government serving in Co-operative department not below the rank of Junior Inspector and possessing a certificate in Audit proficiency issued by CCI / TSCU / ICM.

(or)

- (ii) A Chartered Accountant firm or an individual having a valid certificate of practice issued by the ICAI and having their Registered office in the State of Telangana and having reasonable fluency in local regional language.
 - (iii) Any other qualification / requisition as may be prescribed from time to time.
- (5) The Registrar shall empanel the Departmental Auditors/ Qualified Auditor and Auditing Firms fulfilling the above provisions of this section, every year, while framing necessary guidelines.

Provided that in case of the eligible co-operative banks covered under Chapter XIII-A of this Act, the RBI/NABARD shall empanel the Auditors/ Auditing firms, while framing necessary guidelines.

Provided further that in case of the APCOB/DCCBs covered under Chapter XIII-B of this Act, the NABARD shall empanel the Auditors/ Auditing firms, while framing necessary guidelines.

- (6) It shall be the responsibility of the General body to choose and appoint the Auditor/ Auditing firm every financial year to conduct the audit of its accounts. The General body is vested with the power to choose and appoint the Auditor or the Auditing firm every financial year to conduct the audit of its accounts from out of the Auditors/ Auditing firms approved and empanelled by the Registrar/ NABARD/ RBI for the purpose.

Provided that the General body shall appoint the Auditor or the Auditing firm for auditing the accounts of the Co-operative society for the financial year within six months of its commencement of the financial year for which the accounts are related to.

Provided further that the power to appoint the auditor in respect of societies receiving state aid under Section 43 of this Act shall vest with the Chief Auditor.

- (7) Every Coop. Society shall furnish the financial statements along with necessary enclosures and relevant records and books of accounts to the Auditor or Auditing firm appointed under this Act within one month of the close of financial year, the audit of which is entrusted to the Auditor or Auditing firm.
- (8) The Chief Auditor shall issue or cause to be issued an Audit Certificate in case of Cooperative Societies for which Departmental Auditor was appointed by the General Body and conducted the audit of the society.

The Chartered Accountant Auditor or Auditing Firm shall issue the Audit Certificate for the Cooperative Societies wherever they are appointed as Auditors under this Act by the General Body and conducted the audit of the society.

Provided further that, the Audit Certificate issued in case of Audit by the Departmental Auditor or Audit by others, the Audit Certificate shall be in the format as prescribed by the Chief Auditor from time to time.

Provided further that in case of any discrepancies or deviations noticed in the Audit procedures or Audit certificate issued by the Chartered Accountant/firm, the Government may on the recommendation of the Registrar, order for a test Audit of the society to be conducted by the Chief Auditor and take necessary action against the Chartered Accountant/firm and the Chief Executive of the Society (Primary/Apex) as the case may be.

- (9) The audited financial statements along with Audit Certificate of an Apex Coop. Society registered under this Act shall be laid before the State Legislature.
- (10) Failure of the Committee to comply with the above provisions of this section amounts to negligence in the performance of duties of the Managing Committee of the Society as provided under section 34(1) of this Act.

33. In section 51, the explanation shall be submitted with the following, namely:-

Explanation: For the purposes of this section, "Managing Committee" includes a Committee constituted under Section 31(1)(a) and a person-in-charge appointed under Section 32(7)(a) and also Administrator(s) appointed under Section 34 of the Act.

34. In section 52,

(i) sub-section (1) shall be substituted with the following, namely:-

(1) The Registrar may of his own motion or on the application of a creditor of a society, inspect or direct any person authorised by him by a general or special order in this behalf to inspect the books of the society.

Such inspection shall be completed within a period of three months from the date of receipt of order of inspection by the Inspecting Officer so appointed..

(ii) the explanation under sub-section (2) shall be substituted with the following, namely:-

Explanation: For the purposes of this section, "Managing Committee" includes a Committee constituted under Section 31(1)(a) and a person-in-charge appointed under Section 32(7)(a) and also Administrator (s) appointed under Section 34 of the Act.

35. In section 53, the explanation shall be substituted with the following, namely:-

Explanation: For the purposes of this section, "Managing Committee" includes a Committee constituted under Section 31(1)(a) and a person-in-charge appointed under Section 32(7)(a) and also Administrator(s) appointed under Section 34 of the Act.

36. In section 54, sub-section (1) shall be substituted with the following, namely:-

"54. Rectification of defects in audit, inquiry or inspection: The Registrar shall draw the attention of the society to the defects noticed in every audit conducted under section 50 or inquiry held under Section 51 or inspection made under [Section 52, or Section 53] and if the society is affiliated to another society, also the attention of that other society and may make an order directing the society or its officers to take such action within three months:

Provided that if the society fails to rectify the defects noticed in audit within three months, penalty may be levied against the society as prescribed by the Registrar".

37. In section 55A, sub-section (2) shall be substituted with the following, namely:-

"(2) If such accounts and books are not maintained, the Registrar may direct the person who is responsible to bring the accounts and books upto date to make them up to date, and he shall be bound to comply with such direction within the period specified therein.

Provided that if the statement of accounts are not prepared due to non tracing of concerned records and books of accounts, the Registrar may direct the person who is holding the charge of the society to prepare statement of accounts of the society based on available records while recording the reasons thereof in writing".

38. Section 58 shall be substituted with the following, namely:-

58. Payment of fees to the Government for services rendered to a person or society.: Every person or Society shall pay to the Government such fees, as may be prescribed, for the services rendered by the government to the person or society in respect of audit, execution or arbitration proceedings, or any other prescribed manner.

39. In section 59, sub-section (1) shall be substituted with the following, namely:-

"59. Suspension of officer or servant of society: (1) Where in the course of an Audit under section 50 or an Inquiry under section 51 or an Inspection under section 52 or section 53 or in a preliminary Inquiry report submitted by an Officer not below the rank of sub- Divisional Cooperative officer, it is brought to the notice of the registrar that a paid officer or servant of a society has committed or has been otherwise

responsible for misappropriation, breach of trust or other offence, in relation to the society, the registrar may, if in his opinion there is prima facie evidence against such paid officer or servant and the suspension of such paid officer or servant is necessary in the interests of the matter, to place or cause to be placed such paid officer or servant under suspension from such date and for such period as may be specified by him, but not retrospectively”.

40. Section 60 shall be substituted with the following, namely:-

“60. Surcharge: Notwithstanding anything contained in any other law for the time being in force where in the course of an audit under Section 50 or an inquiry under Section 51 or an inspection under Section 52 or Section 53, or the winding up of a society, it appears that any person who is or was entrusted with the organisation, affairs or management of the society or any past or present officer or servant of the society has misappropriated or fraudulently retained any money or other property or has been guilty of breach of trust in relation to the society or has caused any deficiency in the assets of the society by breach of trust or wilful negligence or has made any payment contrary to the provisions of this Act, the rules or the byelaws,, the Registrar himself, or any person specially authorised by him in this behalf, of his own motion or on the application of the committee, liquidator or any creditor or contributor, may inquire into the conduct of such person or officer or servant and make an order requiring him/her or his/her legal heir to repay or restore the money or property or any part thereof with interest at such rate as the Registrar or the person authorised as aforesaid thinks just or to contribute such sum to the assets of the society by way of compensation in respect of the misappropriation, misapplication of funds, fraudulent retention, breach of trust, or wilful negligence as the Registrar or the person authorised as aforesaid thinks just.

Provided that no order shall be passed against any person referred to in this subsection unless the person concerned has been given an opportunity of making his representation in the manner as prescribed by the Registrar from time to time”.

41. In section 61, sub-section (1) shall be substituted with the following, namely:-

61. Disputes which may be referred to the Registrar: (1) Notwithstanding anything in any law for the time being in force, if any dispute touching the constitution, management or the business of a society, other than a dispute regarding disciplinary action taken by the society or its committee against a paid employee of the society, arises.

- (a) among members, past members and persons claiming through members, past members and deceased members: or
- (b) between a member, past member or person claiming through a member, past member or deceased member and the society its committee or any officer, agent or employee of the society or
- (c) between the society or its committee, and any past committees any officer, agent or employee, or any past officer, past agent or past employee or the nominee, heir or legal representative of any deceased officer, deceased agent or deceased employee of the society: or
- (d) between the society and any other society.

Such dispute shall be referred to the Registrar for decision.

Provided that the such dispute has already been referred to the subcommittee of the society constituted for the purpose and could not be resolved by such sub -committee amicably, it shall be referred to the Registrar for decision.

42. In section 64, in sub-section (2),

(i) clause (a) shall be omitted.

(ii) after clause (c), the following clause (d) shall be added, namely:-

“(d) If the society fails to renew its registration as provided under Section 8A of this Act”.

43. In section 66,
- (i) in sub-section (1), clause (f) shall be substituted with the following, namely:-
 - (f) To determine and apportion the cost of liquidation as prescribed by the Registrar from time to time.
 - (ii) after sub-section (4), the following sub-section (5) shall be added, namely:-
 - (a) Ex-Promoters, Directors, officers and employees who are / were, who are or have been associated with affairs of the society shall extend full cooperation to the Liquidator in discharge of his functions.
 - (b) Ex-Promoters, Directors, officers and employees who are / were or have been associated with affairs of the society shall extend full cooperation to the Liquidator in discharge of his functions.

Where any person without reasonable cause fails to discharge his obligation under this section shall be punishable under section 79 of the Act.
44. Section 67 shall be substituted with the following, namely:-
67. Restriction on alienation of property by a member of a society under winding up:- Where a society has been ordered to be wound up under Section 64, no member shall alienate his property movable or immovable, from the date of the order of winding up and until after expiration of Ninety days from the date on which the order of winding up takes effect. Any alienation of the property made by a member in contravention of this section is voidable at the option of the liquidator.
45. In section 69A, sub-section (1) shall be substituted with the following, namely:-
- "69A. Termination of liquidation proceedings:- (1) The winding up proceedings shall be closed within a period of three years from the date of the order of winding up and after the expiry of the said period of three years, the Registrar may extend the period by two more years while recording the reasons".
46. Section 69B shall be substituted with the following, namely:-
- 69B. Disposal of surplus assets:- Surplus assets as shown in the final report of the liquidator of a society which has been wound up shall be utilized for such purposes as may be specified in the bye – laws. Where the society has no such bye-laws, the surplus assets shall vest in the Registrar who shall hold it in trust and shall transfer it to the reserve funds of a society registered with a similar object and serving more or less an area which the society to which the surplus belonged was serving.
47. In section 71, sub-section (1) and sub-section (2) shall be substituted with the following, namely:-
71. Recovery of debts:
- (1) Notwithstanding anything in this Act or in any other law for the time being in force and without prejudice to any other mode of recovery which is being taken or may be taken, the Registrar may, (on the application made by a society or financing bank or federal society as the case may be, for the recovery of arrears of any sum advanced to any of its members and on furnishing a statement) of accounts in respect of the arrears and after making such inquiry as he deems fit and after issuing notices to member / guarantor to issue a certificate for the recovery of the amount stated therein to be due as arrears.
 - (2) Where the Registrar is satisfied that (a society) has failed to take action under sub-Section (1) in respect of any amount due as arrears, he may on his own motion, and after making such enquiry as he deems fit, after issuing notices to member/ guarantor, issue a certificate for the recovery of the amount stated therein to be due as arrears and such a certificate shall be deemed to have been issued on an application made by the society concerned.
48. Section 72 shall be substituted with the following, namely:-

72. Registrar or person authorized by him to be a Civil Court for certain purposes: The Registrar or any person authorized by him in this behalf shall be deemed, when exercising any power under this Act for the recovery of any amount by the attachment and sale or by sale without attachment of any property, or when passing any orders on any application made to him for such recovery, or to take steps in aid of such recovery or for eviction from property put up for sale under section 70 or under section 71 of this Act, to be a Civil Court for the purpose of Article 182 of the First Schedule to the Indian Limitation Act, 1908.
49. Section 73 shall be substituted with the following, namely:-
73. Attachment of property before decision or order: The Registrar or any other person authorized by him, as the case may be, in order to make good any loss caused by a member, Officer or employee of society by way committing any offences/ embezzlement / misappropriation of funds of the society and order of which is yet to be decided, may bring under notice for attachment of properties pertaining to, the person/s responsible for causing such loss or his legal heirs or any person who has acquired the properties from such person or with the assistance of such person, unless adequate security is furnished, direct the attachment of the said property under this section.
50. In section 79,
- (i) sub-section (1) along with marginal heading shall be substituted with the following, namely:-
79. Punishment for furnishing false return or information, failure to furnish information or failure to comply with directions/orders
- (1) It shall be an offence under the Act, if -
- (a) The Committee or an officer or member or an employee of the society thereof wilfully makes a false return or fails to file returns within the specified time or furnishes false information, or any person wilfully not furnishes any information lawfully required from him by a person authorised in this behalf under the provisions of the Act.
- (ii) in sub-section (1), clause (b) shall be substituted with the following, namely:-
- (b) any person willfully or without any reasonable excuse disobeys any summons, requisition or lawful written order issued under the provisions of this Act.
- (iii) in sub-section (1), clause (e) shall be substituted with the following, namely:-
- (e) any officer or custodian who willfully fails to handover custody of books, accounts, documents, records, cash, security and other property belonging to a co-operative society of which he is an officer or custodian, to an authorized person; and
- (iv) in sub-section (1), after clause (h), the following clause (i), clause (j) and clause (k) shall be added, namely:-
- (i) any employer who, without sufficient cause, fails to pay to a co-operative society the amount deducted by him from its employee within a period of fourteen days from the date on which such deduction is made;
- (j) whoever, before, during or after the election of members of the board or office bearers, adopts any corrupt practice.
- (k) when a cooperative Society or elected Board fails to produce necessary records and necessary information for conduct of Audit and get the approval of the audit accounts by the General body of the Society within six months.
- Provided that, the responsibility for the offence committed under sub-section 79 (1) (k) lies with the Chief Executive officer of the society called by any designation and the managing committee or Board present at the time of Audit and those belonging to the period for which the audit is being conducted.

Provided further that, the responsibility for the offence committed by the co-operative society under this section lies with the Chief Executive Officer of the society called by any designation.

(v) sub-section (2) shall be substituted, with the following namely:-

(2) An offence under Clauses (a) to (c) of sub-section (1) shall be punishable with imprisonment for a term which may extend to six months and with fine which may extend to twenty thousand rupees.

(vi) in sub-section (3),

(a) clause (i) shall be substituted with the following, namely:-

(i) Clauses (e) and (f), shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to seven years.

(b) clause (iii) shall be substituted with the following, namely:-

(iii) Clauses (h) and (k), shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to five years.

(iv) Clause (j) shall be punishable with imprisonment for a term which shall not be less than two years but which may extend to seven years.

51. In section 79A, sub-section (2) shall be substituted with the following, namely:-

(2) Every person guilty of a corrupt practice shall be punishable with imprisonment for a term which may extend up to one year or with fine which may extend to rupees fifty thousand or with both.

52. In section 83B, sub-section (3) shall be substituted with the following, namely:-

(3) Notwithstanding the criminal liability the member, officer or employee of a society shall be responsible to make good the loss caused to the society by committing such offences and the same shall be recovered as arrears of land revenue by the District Collector or the person authorised by him from the person responsible for causing such loss or his legal heirs or any person who has acquired the properties from such person or with the assistance of such person.

53. In section 84, clause (a) shall be substituted with the following, namely:-

(a) 'Board' means the Board of directors of the Telangana State Co-operative Apex Bank Limited(TESCAB); and includes a financing bank or any person authorised by it.

54. In section 86, sub-section (1) shall be substituted with the following, namely:-

(1) Appointment of trustee and his Powers and functions:- The Registrar, or where the Government appoint any other person in this behalf, such person, shall be the Trustee for the purpose of securing the fulfilment of the obligation of the Telangana State Co-operative Apex Bank Limited(TESCAB); to the holders of debentures issued by the Board.

55. In section 88, sub-section (1) shall be substituted with the following, namely:-

(1) With the previous sanction of the trustee, and the Government and subject to such terms and conditions as the Government may impose, the Board may, from time to time issue debentures of such denominations for such periods as it may deem expedient, on the security of the mortgages held or mortgages partly held and partly to be acquired and other assets transferred or deemed to have been transferred under the provisions of section 94, by the primary agricultural co-operative societies to the financing bank and by the financing bank to the Telangana State Co-operative Apex Bank Limited(TESCAB); shall be substituted, and other properties of such Bank.

56. In section 89, clause (c) shall be substituted with the following, namely:-

(c) The other properties of the (Telangana State Co-operative Apex Bank Limited(TESCAB)).

57. In section 115-B,

(i) clause (iii) shall be substituted with the following, namely:-

(iii) if so required by the Reserve Bank on any of the grounds under section 34(1)(b) of this Act, an order shall be made under the provisions of this Act for the supersession of the committee of the management or other managing body (by whatever name called) of the bank and the appointment of official Administrator(s) thereof for a period specified by the Reserve Bank that does not exceed one year;

Provided that an ex-Director on the Board of any Urban Cooperative Bank, whose Board was suspended/ superseded on the grounds of financial irregularities shall be disqualified from contesting election or co-option to the Board of Directors of any other Urban Cooperative Bank for a period of five years.

(iv) an order for the winding up of the bank or an order sanctioning a scheme of compromise or arrangement or of amalgamation or reconstruction or an order for the supersession of the committee of management or other managing body (by whatever name called) of the bank and the appointment of Administrator(s) thereof made with the previous sanction in writing or on the requisition of the Reserve Bank shall not be liable to be called in question in any manner; and

(ii) after clause (v), the following shall be added, namely:-

(vi) At least 50% of the total value of the deposits of the Bank shall be held by members of the society (Bank) having voting rights.

(vii) no person can be elected or nominated to the Board of Directors or Managing Committee for a second term in succession.

(viii) notwithstanding anything contained in any other provisions under this act, the individual share holding of a member of eligible Cooperative Bank should not exceed 5% of the total paid-up share capital of the eligible Cooperative Bank.

58. In section 115-D,

(i) In sub-section (4), clause (iv) shall be substituted with the following, namely:-

(iv) If the Registrar is satisfied that the requirements laid down in clause (III) are not fulfilled, he shall communicate by registered post, the order of refusal together with the reasons therefor, within thirty days from the date of receipt of application to the applicant society:

Provided that the elected management in office at the time of registration by conversion under the Act, shall be deemed to remain in office for the balance of the period of the term for which they have been elected under the law in force at that time.

(ii) sub-section (11) shall be substituted with the following, namely:-

(11) There shall be no compulsion on contribution to any fund other than Cooperative Education fund provided under this Act and those required for improving the net worth/ owned funds of a Cooperative Credit Society.

(iii) sub-section (14) shall be substituted with the following, namely:-

(14). The Registrar shall ensure that the regulatory prescriptions of the RBI in case of APCOB/ DCCB including their winding up or supersession of their Managing Committee are implemented and the Liquidator/ Administrator(s), as the case may be, is appointed within one month of being so advised by RBI.

(iv) in sub-section (15), clause (b) shall be omitted.

(v) in sub-section (16), clause (a) shall be omitted.

(vi) in sub-section (16), clause (b) shall be substituted with the following, namely:-

“(b) A member of the Managing Committee of a PACS which has been superseded due to a reason mentioned in Section 34 (1) (b) (i), (ii) and (iii) shall not be entitled to contest again to any Co-operative Society for a period of five years after supersession”.

(vii) sub-section (20) shall be substituted with the following, namely:-

“(20) There shall be co-option, of not more than two professionals on the Managing Committee of the APCOB/ DCCB as per the provisions of section 31((1)(e) of this Act, and in case, such professionals as stipulated by the RBI do not get elected to the Committee”.

59. Section 116AA shall be omitted.

60. In section 117, sub-section (1) shall be substituted with the following, namely:-

“(1) Delivery of possession of records and properties of the society: (1) Where a new committee is elected, or a committee is nominated or a person is appointed by the Registrar under section 15A or an official assignee appointed under Section 9C, or the Committee is superseded by the Registrar and Administrator(s) is/are appointed under section 34, or where the society is ordered to be wound up and a liquidator is appointed under section 65, and such new Committee, Administrator(s), liquidator or official assignee is resisted in, or prevent from, obtaining possession of the books, accounts, documents, securities, cash and other properties, whether movable or immovable, of the society (hereafter in this section referred to as the ‘ records and the properties of the society’) by the previous committee or superseded committee or by the society which has been ordered to be wound up or by a person who is not entitled to be in possession of the records and properties of the society, the Registrar shall on application by new committee, Administrator(s), Liquidator or Official Assignee if satisfied, authorise, in the prescribed form setting forth the reasons therefore, any officer subordinate to him, not below the rank of a Senior Inspector of Co-operative Societies, to enter, search, or break open any premises where such records and properties of the society are kept and to seize any such records and properties of the society and to cause delivery to the new committee, Administrator(s), Liquidator or Official Assignee, of the records and properties of the society”.

61. In section 119, sub-section (1) shall be substituted with the following, namely:-

(1) Every Society shall keep, a copy of this Act, the Rules and Bye-laws, books of Accounts and all records, documents and registers for access by its members, free of charge, at all reasonable times, at its office. Access shall be provided for every member to inspect such portions of the above said books, registers, documents and records as requested.

62. Section 129 shall be substituted with the following, namely:-

129. Certain Acts not to apply: The provisions of the Companies Act, 2013, AP shops and Establishment Act, 1988, shall not apply to societies.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA]

**C. PARTHA SARATHI,
APC & SECRETARY TO GOVERNMENT**

To

The Commissioner, Printing, Stationary and Stores, Chanchalguda, Hyderabad

(With a request to supply 100 copies of the notification)

The Commissioner of Cooperation and RCS, Telangana State, Hyderabad.

All the District Collectors through CC&RCS, TS., Hyderabad.

All the Sections of Coop Department.

Copy to:

The Law (C) Department.

The Revenue (Assn.I) Dept.

The Chief Commissioner of Land Administration, Telangana, Hyderabad.

SF/SC.

// FORWARDED : BY ORDER //

SECTION OFFICER

